Annual Report
1985-86

Alberta
UTILITIES

Alberta
TRANSPORTATION AND UTILITIES

Office of the Minister

208 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2080

Honourable Dr. David Carter, Speaker
Legislative Assembly of Alberta
325 Legislature Building
Edmonton, Alberta
T5K 2B6

Sir:

It is my pleasure to submit the Annual Report of the Department of Utilities for the year ended March 31, 1986.

Respectfully submitted,

Al "Boomer" Adair
Minister of Transportation
and Utilities

Alberta
TRANSPORTATION AND UTILITIES

Office of the Deputy Minister

2nd Floor, Twin Atria Building, 4999-98 Avenue, Edmonton, Alberta, Canada T6B 2X3 403/427-2081

The Honourable Al "Boomer" Adair
Minister of Transportation
and Utilities

Sir:

I have the honour to submit herewith a report covering the activities of the Department of Utilities for the fiscal year ended March 31, 1986.

Respectfully submitted,

Harvey M. Alton
Deputy Minister

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EXECUTIVE SUMMARY

In keeping with the Province's emphasis on assisting the agricultural community, a new program to assist Alberta farmers and ranchers with the cost of constructing water transmission facilities was announced. The new **Alberta Farm Water Grant Program** had a very positive response in the first year, with more than $1.2 million spent on some 300 projects. The program was designed to use the farmers' own initiative in developing and constructing projects.

One of the major benefits of this new program was the economic impact on local businesses and suppliers in the rural community. The bulk of the materials used on these projects was purchased at local farm supply or hardware stores and the majority of installations were carried out by local contractors. Where engineering input was required, it was provided by private sector consultants, and local firms were used extensively where possible.

The **Alberta Municipal Water Supply and Sewage Treatment Grant Program** continued to focus on the more cost-effective upgrading or improving of existing facilities rather than the implementation of larger more costly facilities. A total of 119 projects were approved for funding during 1985-86, an increase of nearly 40 projects, with the same budget expenditure.

Official turnover of the **Capital Region Sewage Commission** was effective January 1, 1986. This new plant provides sewage treatment services to 13 Edmonton-area municipalities. Construction continued on several other Edmonton area projects, with more than $25 million being spent.

The **Rural Gas Program** continued to expand the availability of natural gas service to Albertans, with a highlight for the year being the provision of gas service to the first Metis colony under the program. The development of several band-owned distribution systems on Indian reserves also occurred.

The number of rural gas distributors purchasing gas from **Gas Alberta** increased by three to a total of 90 distributors. There was also a 6.8 percent increase in the volume of gas sold in the year, reflecting not only the growing number of customers being served but also increased consumption for irrigation and grain drying operations.

Demand during the year also continued strong for loans for new electrical services on farms, in particular from the irrigation areas of the province. Over $9 million in low-interest and interest-free loans were made. At year end, the **Rural Electrification Revolving Fund** approached its legislative limit of $55 million with over $52 million in loans outstanding. The limit was subsequently increased to $75 million in the 1986 session of the Legislative Assembly, reaffirming the Province's long-standing commitment to meeting the needs of farmers for electrical services.

Drafting was completed on the regulations and standard by-laws to the **Rural Utilities Act**. The Act had been passed in the 1985 spring session of the Legislative Assembly. The Act and its regulations and standard by-laws bring together, in one set of legislation, the provisions governing rural utilities. They are intended to simplify administration and the interface between the provincial government and rural utilities.

Throughout the drafting process, the provincial organizations representing Alberta's rural gas co-operatives and rural electrification associations were consulted. Their views and concerns were reflected in regulations and standard by-laws submitted for government approval.

Rebates totalling $143.9 million were paid through four programs. The **Natural Gas Price Protection Plan** continued to benefit Alberta consumers by reducing natural gas costs to 65 percent of the regulated Alberta Border Price. Since 1974, the Plan has provided over $1.1 billion in price shielding to Albertans. The complementary **Remote Area Heating Allowance** also assisted users of propane and heating oil who do not have economic access to natural gas service.

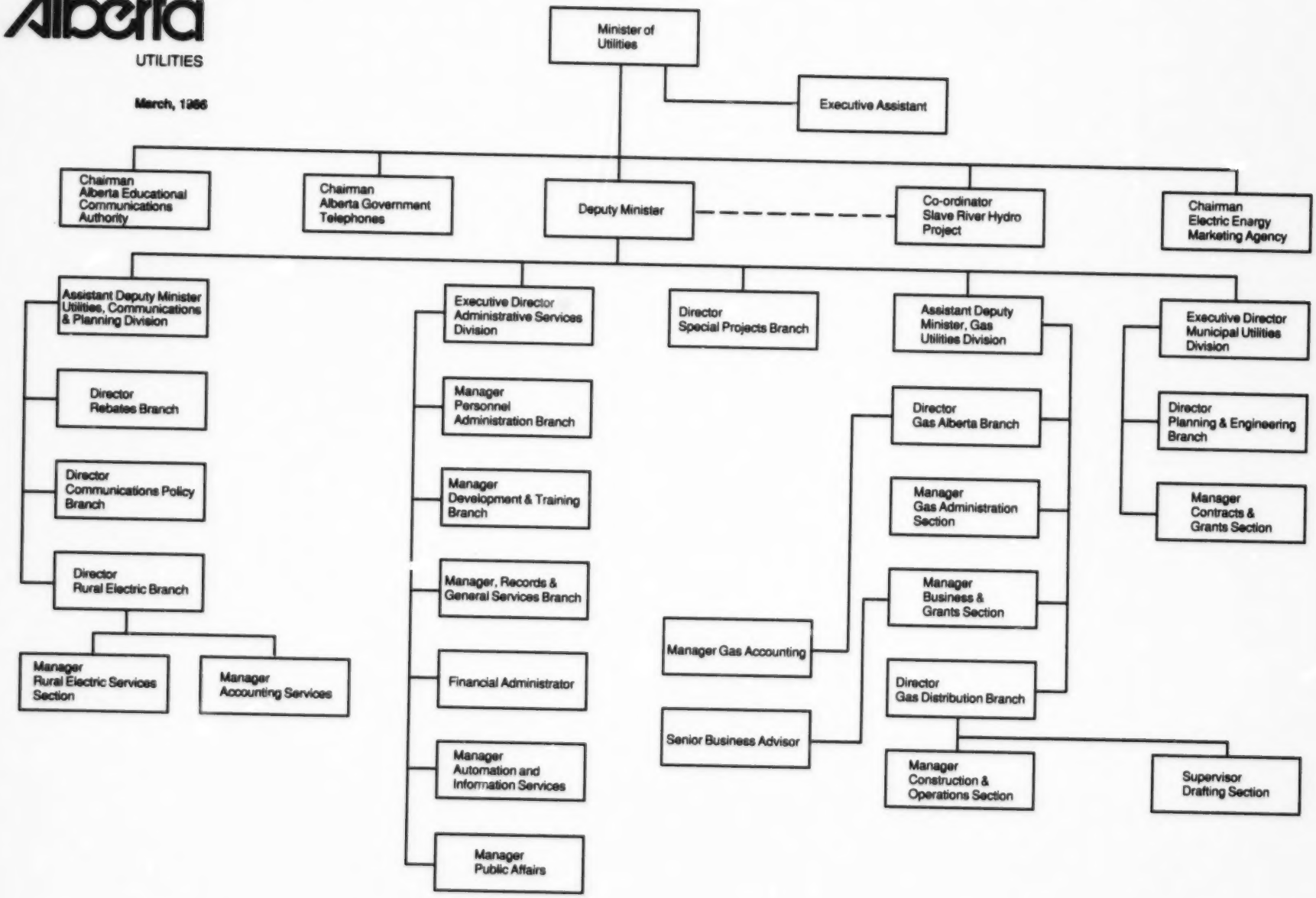
Almost 86,800 senior citizen homeowners received a further rebate through the **Senior Citizens Home Heating Protection Program** for the 1985 calendar year. The number increases each year with the growing population of seniors in Alberta, and most households are mailed the $100 cheque automatically, without having to complete an application form. Agricultural producers using natural gas in their operations also benefited from a supplementary rebate through the **Primary Agricultural Producers Rebate Program**.

On February 6, 1986, the staff and responsibilities of the **Communications Policy Branch** were transferred to the newly established Department of Technology, Research and Telecommunications. The branch provided research, advice and co-ordination in the ongoing development and administration of Alberta's communications policy.

Alberta

UTILITIES

March, 1986


Minister of Utilities
Executive Assistant
Chairman Alberta Educational Communications Authority
Chairman Alberta Government Telephones
Deputy Minister
Co-ordinator Slave River Hydro Project
Chairman Electric Energy Marketing Agency
Assistant Deputy Minister Utilities, Communications & Planning Division
Director Rebates Branch
Director Communications Policy Branch
Director Rural Electric Branch
Manager Rural Electric Services Section
Manager Accounting Services
Executive Director Administrative Services Division
Manager Personnel Administration Branch
Manager Development & Training Branch
Manager, Records & General Services Branch
Financial Administrator
Manager Automation and Information Services
Manager Public Affairs
Director Special Projects Branch
Assistant Deputy Minister, Gas Utilities Division
Director Gas Alberta Branch
Manager Gas Administration Section
Manager Business & Grants Section
Director Gas Distribution Branch
Manager Gas Accounting
Senior Business Advisor
Manager Construction & Operations Section
Supervisor Drafting Section
Executive Director Municipal Utilities Division
Director Planning & Engineering Branch
Manager Contracts & Grants Section

GAS UTILITIES DIVISION

The Gas Utilities Division is responsible for implementing policies and programs for natural gas utilities and administering the Rural Gas Program.

D. A. Brooks
Assistant Deputy Minister

GAS ALBERTA BRANCH

G. W. Brown
Director

GAS DISTRIBUTION BRANCH

G. N. Campbell
Director

BUSINESS AND GRANTS SECTION

D. H. Warner
Manager

GAS ADMINISTRATION SECTION

A. A. Stanford
Manager

GAS ALBERTA BRANCH

Gas Alberta continues to act as a gas broker under the Rural Gas Act and, as such, is responsible for ensuring an economical and efficient supply of natural gas and related services to rural gas distributors throughout Alberta.

Gas Alberta experienced a 6.8 percent increase in the volume of gas sold and a 2.85 percent increase in the number of sales locations during the 1985-86 fiscal year. This increased volume reflects increases in the number of customers being served by distributors as well as increased consumption for irrigation and grain drying operations.

The number of rural gas distributors purchasing gas from Gas Alberta increased by three for a total of 90 distributors. The delivery points for those distributors, Kehewin Indian Band, Cold Lake First Nations Indian Band and the Town of Slave Lake contributed to the overall increase of 19 new sales taps to the rural gas systems.

Continued growth in gas deliveries and sound gas purchasing policies have enabled the branch to obtain secure economical gas supplies and maintain reasonable gas energy costs to distributors.

Gas Alberta comprises two main sections.

GAS ACCOUNTING SECTION

This section is responsible for accounting and financial control of all disbursements and receipts of the Gas Alberta Operating Fund. The Fund is maintained by the Provincial Treasurer and is subject to an annual audit and report to the Legislature.

Over the past year, the section handled purchases and sales of 17.2 million gigajoules (17.2 petajoules) or (16.3 million mcf) of natural gas valued at $42.7 million (purchase cost), including operating and delivery costs. Under the Natural Gas Price Protection Plan and Natural Gas Price Administration Act, rebates totalling $6.5 million were received. Gas sales and other revenue amounted to $36.6 million. The combined revenue and related expenditures produced a gross cash flow of $85.8 million through the Gas Alberta Operating Fund.

CONTRACTS AND BILLING SYSTEMS SECTION

This section is responsible for negotiating, maintaining and administering contract documents relating to the purchase, sale and exchange of natural gas. It also handles billing agreements for retail billing services provided to rural gas distributors as well as word processing and electronic data processing system administration and co-ordination for the branch.

The recent acquisition of a microcomputer has enhanced the quality of economic analysis of gas supplies and will facilitate the determination of critical factors for the renegotiation or acquisition of gas supply contracts.

During the year, a gas transportation agreement and two gas purchase contracts were renegotiated. In addition, three new gas sales contracts for sales to rural gas distributors were completed.

This section controls the development and design of systems for the branch's retail billing service and assists in the development, design and implementation of billing systems for those natural gas distributors not utilizing Gas Alberta's retail billing system.

The computerized system continues to improve and meet the more personalized service required by its users.

A Special Billing program was developed to better utilize and reduce manpower requirements in the branch. This program has resulted in a 20 percent reduction of staff without any deterioration in the quality of service provided. The Special Billing arrangement is an important facet of retail billing which allows distributors to maintain more control over customer accounts, improve cash flow and increase customer contact. Interest in this program is growing with five additional distributors taking advantage of this service, bringing the total number of distributors on Special Billing to 29.

In a continuing effort to meet the ever changing needs of rural gas distributors, Gas Alberta undertook the development of a new program within existing manpower and budget allocations called the Meter Information System. This system is designed to provide inventory control of distributor owned gas meters. Furthermore, the system generates a registration report of all pressure factor measurement meter sets and aids the distributors in complying with reporting requirements of the federal Department of Consumer and Corporate Affairs.

The need for the Gas Loss Grant program which was administered by this section had been significantly reduced by replacement of faulty pipe and improved operating practices of rural gas distributors. As a result, this program was terminated effective January 1, 1986.

GAS ALBERTA BRANCH STATISTICS

	1983-84	1984-85	1985-86
Distributors	86	87	90
Delivery or Sales Points	643	666	685
Gas Suppliers	33	35	35
Gas Volume Sold (Million GJ)	14.2	16.1	17.2
Distributors on Retail Billing	52	52	52
Retail Customers Serviced by Billing Service	33,300	34,926	34,446

Supplier Gas Costs	1983-84 $/GJ	1984-85 $/GJ	1985-86 $/GJ
Regulated Utilities	$2.038	$2.267	$2.268
Exporters	1.947	2.053	2.032
Wells	2.074	2.205	2.331
Producers	1.954	2.083	1.979

Supplier Volume by Percent of Total

Regulated Utility	27%	32%	30%
Exporters	61%	56%	58%
Wells	2%	2%	2%
Producers	10%	10%	10%

GAS DISTRIBUTION BRANCH

The Gas Distribution Branch provides support services to the Rural Gas Program, and is involved in the regulatory aspects of rural gas utility design, construction and operation. These responsibilities encompass a number of technical, financial and administrative functions including direct participation in the areas of materials research and development, gas supply operation and management, and plant location records.

The branch's functional responsibilities are divided between the Construction and Operations and the Drafting Sections.

CONSTRUCTION AND OPERATIONS

This section reviews and approves construction of new pipeline systems and upgrading or replacement of existing systems. During the reporting period, approximately 500 applications to construct, upgrade or replace pipelines and/or plant were approved. The 1985-86 year also featured the development of several band-owned gas distribution systems on Indian reserves and gas service to the first Metis colony under the Rural Gas Program.

As well as ensuring that system design is adequate to provide reliable service to consumers, the section also reviews project management and costing provisions, and specifies the type and level of grant support for projects. The section operates a computerized grant budget control system to ensure that grant funds are available on a priority basis. The system was well utilized during 1985-86 since requirements for grant support by distributors matched the grant budget. In contrast to the previous fiscal period when early snow resulted in project deferrals and a large budget surplus, the 1985-86 grant budget concluded with a nominal surplus.

The section developed and implemented a universal training and certification program for fusion joining of polyethylene pipe, and simplified the requirements for pressure testing new polyethylene pipe installations. The section also coordinated an industry review of the operating pressure limits of suspect polyethylene pipe products, and, following completion of a major study, briefed the gas utility industry on life expectancy for polyethylene products in service.

Operation and maintenance of rural utility pipeline systems remains a high priority responsibility involving both inspection of, and advisory services for, utilities' operation and maintenance programs. The section investigated an accident in which four persons suffered burns while improperly carrying out repairs to a plastic pipeline. To prevent similar accidents from occurring, the section is increasing its inspection, advisory and training programs and has commenced a number of new initiatives to promote and enforce better operating practices in small rural gas utilities.

The section initiated dialogue between representatives of the gas utility and the seismic industries which resulted in improved relations between these two sectors. Similarly, section staff participated in an ERCB-sponsored committee set up to improve communication and reduce conflict between the pipeline industry and rural municipalities with respect to pipeline crossings of municipal road allowances.

DRAFTING SECTION

This section's responsibilities focus primarily on the preparation and maintenance of plant location records as a service to co-ops and county gas utilities. Some 3,500 plans are held by the section for this purpose and approximately 1,000 drawings are annually updated or revised. The section also prepares and updates approximately 300 official franchise plans for all rural gas utilities. All of these plans are currently being converted to a computerized system which will permit faster and more reliable updating. Approximately 40 percent of this conversion program was completed during 1985-86.

To complement the conversion of plant location records, which are mainly used by co-ops and counties for operational purposes, the section has created a provincial mapping series to illustrate the locations of all rural gas utility pipelines in Alberta. Approximately 400 plans have been developed to detail the approximately 100 000 kilometres of pipeline which are identified on this system. This system provides industry and the public with general location information on rural gas pipelines via the Energy Resources Conservation Board's information centre in Calgary.

To ensure the accuracy of field survey information used to develop pipeline plans, a field audit and analysis of plant records was carried out. The results of this analysis, combined with input from the gas utility industry on related aspects, resulted in a number of recommendations to improve the accuracy of pipeline surveys.

BUSINESS AND GRANTS SECTION

This section provides financial and business management resource services to distributors as well as assistance in applying for grants. An annual audit of distributor-incurred construction costs is carried out and a set of specific guidelines and procedures has been set up to ensure policy compliance in grant payments. The grant section's administration and statistics group maintains ongoing statistics of costs, installations, and grants issued. Reports containing this information are prepared both for publication and for administrative use by department management.

Business Analysts emphasize the importance of preparing and following sound financial planning policies to their clients. They stress the use of budgeting and improved recordkeeping by distributors, both during construction and in the operational phases of the utilities to improve their cash flow management. Contact during the past year was mainly through visiting and consulting with managers and/or attending board meetings. A special emphasis was placed on working closely with those distributors and their auditors where either a present or future financial problem was perceived. The Business Analysts encouraged clients to establish reserve funds for replacement or improvement of their systems. Response has been favourable and a substantial number of gas co-ops have now formally established this type of fund.

Regular reviews of distributors' customer rate adequacy were continued. Where rates were considered to be inadequate, the distributor was consulted and recommendations made on alternatives for action.

All regular grants under the Rural Gas Program are calculated on whole system cost averaging. During the 1985-86 fiscal year, a total of $324,621,579.20 in grants to distributors was processed. Figures and graphs setting out significant statistics of the Rural Gas Program are included in the Appendices, both for the past year and cumulative from the beginning of the program. The program has now reached the point where original construction of systems is decreasing and operating and maintenance of existing systems is assuming a larger and more important share of attention by both distributors and the Department.

The map in the Appendices outlines the number of services built as a percentage of the estimated potential in the franchised areas of the province. A large majority of Alberta's rural residents have already been served with natural gas and in most other areas, service can be made available to almost all of the remaining potentials if required.

GAS ADMINISTRATION SECTION

Loans authorized under the provisions of the Co-operative Marketing Associations and Rural Utilities Guarantee Act to natural gas co-operatives amounted to $936,634 during the 1985-86 fiscal year. All of these were supported by lien notes. The total number of outstanding guaranteed loans as of March 31, 1986, was $4,017,824, representing a decrease of $184,667 from the previous year. Gas rate borrowings were repaid in full.

Total outstanding loans to 14 gas co-ops by the Alberta Agricultural Development Corporation, stood at $2,249,835, a decrease of $1,002,846 from the previous year. Four gas co-ops completed full repayment of their loans.

During the reporting period, 8,267 rights-of-way, easements and consent-of-occupant forms were prepared for member-owned gas co-ops and counties. Eight franchise audits for utility rights-of-way and 38 infill audits were completed.

A total of 13 audits of lenders with outstanding government-guaranteed loans to co-op members were conducted.

Leduc West Gas Co-op Ltd. had its name struck from the Corporate Registry. This co-op's distribution system is owned and operated by a utility company and it had no government-guaranteed loans.

There are now 90 natural gas co-operatives in Alberta, of which 75 own and operate their own distribution systems.

MUNICIPAL UTILITIES DIVISION

D. Shillabeer
Executive Director

PLANNING AND ENGINEERING BRANCH

M. Znak
Director

CONTRACTS AND GRANTS SECTION

M. Morgan
Manager

MUNICIPAL UTILITIES DIVISION

The Municipal Utilities Division is responsible for the administration of programs to assist in the construction of water and sewage facilities for municipalities. Assistance is also provided to farmers and ranchers for the construction of water transmission systems. The financial assistance programs are: Alberta Municipal Water Supply and Sewage Treatment Grant Program; Regional Utilities Program; Northern Supplementary Fund Assistance Program; Phosphorus Removal Grant Program; and Alberta Farm Water Grant Program.

A chart in the Appendices details total funds spent on municipal water and sewage programs since 1980.

ALBERTA MUNICIPAL WATER SUPPLY AND SEWAGE TREATMENT GRANT PROGRAM

The Alberta Municipal Water Supply and Sewage Treatment Grant Program provides financial assistance to cities (under 100,000 population), towns, villages, summer villages, and hamlets toward the capital cost of installing water and sewage facilities. The construction of major water and sewage treatment plants in Alberta cities is nearly completed; therefore, the program has focussed on upgrading or expansion of older existing facilities. A larger number of projects with reduced budget funds are being approved.

New Project Approvals

Year	Budget	Total Projects Approved
1985-86	($40m)	119
1984-85	($40m)	80
1983-84	($70m)	62

Municipalities are encouraged to build projects suited to their needs, keeping in mind current economic and growth projections. Earlier funding approvals have enabled them to initiate the design and engineering stages of the project without a major outlay of funds. The division evaluates projects on an individual basis, ensuring cost-effectiveness and that the needs of the municipality are met. Smaller communities sometimes find that the costs of their projects exceed the upper limit of the program; therefore, special high-cost grants have been provided in some cases.

REGIONAL UTILITIES PROGRAM

The Regional Utilities Program was first implemented in 1979 and has continued throughout the years to assist in constructing multi-municipal water supply and sewage treatment systems.

The Capital Region Sewage Treatment Plant was commissioned and operated by the Department until the official turnover of the system to the Capital Region Sewage Commission effective January 1, 1986. The Southeast Regional Trunk Sewer was also turned over to the Commission on this date. As well, final arrangements for the turnover of the Capital Region Vegreville Corridor Water System to the new Commission were made.

Maps of the various multi-municipal water and sewage systems constructed under the Regional Utilities Program can be found in the Appendices.

During the 1985-86 fiscal year, $25 million was expended under this program. The majority of funds were used to continue construction of the Capital Region Sewage System. This system, upon completion, will provide sewage collection and treatment for 13 municipalities in the Edmonton area. The sewage system was approximately 80 percent completed by March 31, 1986.

The total system consists of several individual systems:

Under Construction

Parkland Sewage Transmission System: This system consists of 35 kilometres (22 miles) of concrete gravity pipeline and steel forcemain and a sewage pumping station. The project was 90 percent complete with $6.5 million spent during the 1985-86 fiscal year. This system will serve the Town of Stony Plain, the City of Spruce Grove and the County of Parkland, and it is anticipated that it will be connected to the Capital Region Sewage Treatment Plant by the end of 1986.

Northeast Sewage Transmission System: This system consists of 30 kilometres (19 miles) of concrete gravity pipeline and steel forcemain and two sewage pumping stations. At the end of the 1985-86 fiscal year, the project was more than 50 percent completed with $9.2 million spent during the year. Serving the Town of Gibbons, the City of Fort Saskatchewan and the Municipal District of Sturgeon, it is anticipated that this system will be completed by early 1987.

St. Albert Trunk Sewer: This system comprises 18 kilometres (11 miles) of concrete gravity sewer and will twin the existing trunk sewer. During 1985-86, engineering design and land assembly were undertaken for a total cost of approximately $400,000. The total estimated cost is $15.2 million with construction to begin in 1986.

Morinville Sewage Transmission System: Approval was given during 1985 for the Town of Morinville to connect to the Capital Region Sewage System. Engineering should be completed by 1987.

Completed Systems

Sewage Projects

Capital Region Sewage Treatment Plant: This 90 mL/day (19.8 million impg) activated sewage treatment plant provides sewage treatment for 13 Edmonton-area municipalities. Construction of the plant began in 1981, and was completed in 1985. This project included 13 supply and construction contracts valued at $58 million.

Southeast Regional Trunk Sewer: The southeast regional trunk sewer provides sewer service to the City of Leduc, the Town of Beaumont, and the Counties of Leduc and Strathcona. This system was completed and turned over to the Capital Region Sewage Commission January 1, 1986.

Water Projects

Capital Region Vegreville Corridor Water System: Construction of the regional water systems was essentially complete prior to 1985-86 with the exception of final clean-up of the Vegreville Corridor Water System. This system consists of 96 kilometres (60 miles) of steel pipeline, providing potable water to five municipalities, including the Town of Vegreville, as well as rural water users. The project comprised four construction and supply contracts valued at $26.5 million.

NORTHERN SUPPLEMENTARY FUND ASSISTANCE PROGRAM

Under the Northern Supplementary Fund Assistance Program, assistance was provided to 12 communities. The program, with a total budget of $5,040,000, helps isolated northern communities with the high cost of initiating or improving water and sewage facilities. Projects are recommended by the Northern Communities Advisory Council.

PHOSPHORUS REMOVAL GRANT PROGRAM

The Phosphorus Removal Grant Program was completed. The program provided $18,186,300 in total to the City of Calgary for phosphorus removal facilities at the Fish Creek and Bonnybrook sewage treatment plants.

ALBERTA FARM WATER GRANT PROGRAM

A major highlight this year was the implementation of the Alberta Farm Water Grant Program. This new initiative to assist the agricultural community was announced in September 1985. It provides Alberta farmers and ranchers with financial assistance for the construction of water transmission projects for domestic and stockwatering use. The new program received a very positive response in the first year, with more than $1.2 million spent on some 300 projects. The program was designed to use the farmers' own initiative in developing and constructing projects.

One of the major benefits of the program was the local economic impact on businesses and suppliers in the rural community. Indications are that the bulk of materials used on these projects were purchased at local farm supply or hardware stores and the majority of installations were carried out by local contractors. It should also be noted that much of the material used in these projects, including a large portion of the piping, is manufactured in Alberta. Where engineering input was required, it was provided by private sector consultants, and local firms were used extensively where available.

These programs are administered by three areas within the Municipal Utilities Division, namely the Planning and Engineering Branch, the Contracts and Grants Section, and Office Administration.

PLANNING AND ENGINEERING BRANCH

The Planning and Engineering Branch is responsible for evaluating and priorizing applications for assistance under water and sewage assistance programs administered by the Municipal Utilities Division. During 1985-86, assistance to municipalities, farmers and ranchers, was provided through a broad range of activities, including:

ALBERTA MUNICIPAL GRANT PROGRAM

- Assessed technical aspects of engineering reports and plants with respect to need, cost-effectiveness, design, and capacity, for more than 125 municipal water and sewage projects for which funding was requested
- Obtained approval for funding of 119 water and sewage projects with total costs ranging from $1,400 for a chlorination facility in the Village of Clyde, to $7,756,000 for the construction of a sewage treatment plant in the City of Medicine Hat
- Provided technical expertise to municipalities to assist in planning and implementation of municipal water and sewage projects and assisted in identifying the future needs of municipalities
- Managed engineering studies for municipalities, when requested.

REGIONAL UTILITIES PROGRAM

- Tendered and administered contracts for the construction of water pipelines, sewage treatment plant works, sewage pumping stations, gravity sewer and forcemain projects
- Assisted municipalities in establishing Regional Commissions under the Regional Municipal Services Act
- Selected engineering consultants to design and implement regional projects
- Co-ordinated utility crossings and agreements, and the acquired rights-of-way for regional projects.

ALBERTA FARM WATER GRANT PROGRAM

- Reviewed technical aspects of more than 700 individual farm program applications and 35 group farm program applications
- Provided technical assistance for group projects including:
  - Planning and assessment of projects' economic feasibility
  - Preparation of conceptual designs and cost estimates
  - Arrangements for surveying, licensing, permits to construct, and easements, etc.
  - Assistance with tendering process for group projects
  - Construction supervision and system testing
  - Managed the district planning of farm water projects.
- Conducted field inspections on 71 projects
- Co-ordinated services of consulting engineers undertaking surveys and preparing designs.

The Planning and Engineering Branch has also continued to play an active role in various committees, such as the Northern Services Committee, the Bonding, Holdback and Public Works Act Committee, and other intergovernmental committees.

CONTRACTS AND GRANTS SECTION

The Contracts and Grants Section is responsible for the ongoing administration of contracts and processing of grant payments and invoices for all programs administered by the Municipal Utilities Division.

Under the Alberta Municipal Water Supply and Sewage Treatment Grant Program, the Contracts and Grants Section was responsible for the execution of 102 contracts for newly-approved projects. Initial, interim and final payments were processed for these new projects, as well as for numerous projects carried forward from previous years.

More than $24.8 million was paid under the Regional Utilities Program during 1985-86. Payments for construction, engineering and land costs for eight regional projects being implemented were processed on a regular basis.

During 1985-86 staff processed applications and payments to more than 300 individual and group projects funded under the new Alberta Farm Water Grant Program. Staff also assisted in the development and implementation of this new program to ensure efficient and effective delivery.

Staff also provides information and guidance to municipal administrators and consultants with respect to record-keeping for projects, management of cash flow, and auditing procedures.

UTILITIES, COMMUNICATIONS AND PLANNING DIVISION

E. Zalko
Assistant Deputy Minister

COMMUNICATIONS POLICY BRANCH

K. Murricane
Director

REBATES BRANCH

G. Breckenridge
Director

RURAL ELECTRIC BRANCH

I. Mann
Director

COMMUNICATIONS POLICY BRANCH

The Communications Policy Branch is responsible for providing research, advice and co-ordination in the ongoing development and administration of Alberta's communications policy. The emphasis of the policy is to ensure the optimum development of the communications industry in Alberta. The branch also provides economic, financial and policy analysis on a project basis on other issues relative to departmental program and policy development.

The activities of the branch are divided into five areas, including broadcasting and cable television, corporate and financial analysis, educational communications, research and economic analysis, and telecommunications.

The Communications Policy Branch ceased to be an operating unit of Alberta Utilities as of February 6, 1986, when staff and responsibilities were transferred to the newly established Department of Technology, Research and Telecommunications.

REBATES BRANCH

OVERVIEW

The branch administers four rebate programs which, through payments to utility companies and individuals, reduce the cost of natural gas, propane and heating oil used in home heating, farm and other purposes. The two programs specifically for natural gas are paid from an allocation of the province's non-renewable resource revenues.

Legislative authority for the programs is contained in the Natural Gas Rebates Act and Regulations and the Utilities and Telecommunications Grants Regulations.

HIGHLIGHTS

- During the year rebates totalling $143.9 million were paid under the four programs, an increase of $1.5 million over the previous year's total. The Appendices provide expenditures by program.
- A new policy was established in the fall of 1985 to provide fuel rebates to farmers who use the services of another person to dry their grain. Rebates for custom drying are now available under the Remote Area Heating Allowance and Primary Agricultural Producers Rebate programs.

NATURAL GAS PRICE PROTECTION PLAN

The objective of the Plan is to shelter residents, commercial establishments and industry from the effects of significant natural gas price increases. This objective is accomplished through rebate payments, mainly to utility companies which are, in turn, reflected in lower rates for consumers. With this method of delivery, Albertans do not have to apply to receive the Plan's benefits. The Public Utilities Board ensures that the rates charged to customers reflect the full benefit of the rebate paid.

First introduced in 1974, the Plan was most recently extended to March 31, 1988. The Plan issues rebates for the difference between a Provincial Support Price, which is set periodically, and the price actually paid by utility/industrial purchasers to gas producers. Since 1980, the support price has been established at 65 percent of the Alberta Border Price as determined under Federal-Alberta Agreements. The Support Price for Albertans was set at $1.82 per gigajoule throughout the year (details of prices are found in the Appendices).

The rebates are paid from an allocation of the province's non-renewable resource revenues.

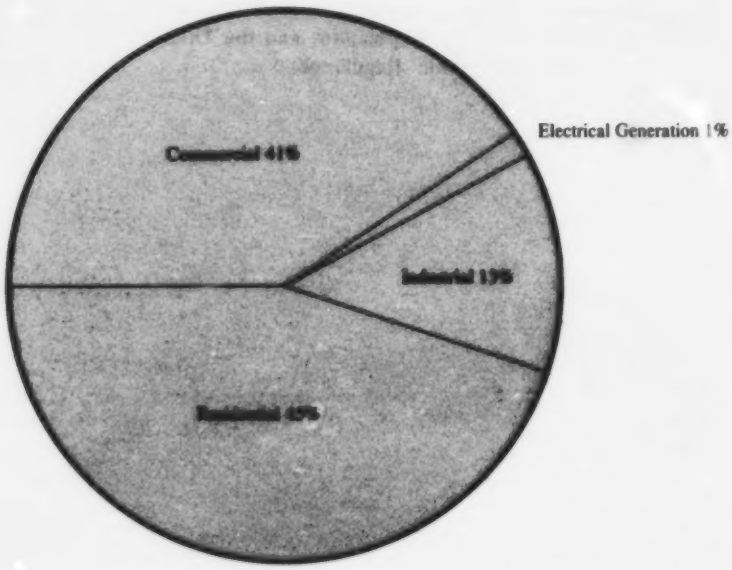
During 1985, the Federal and Provincial Governments announced that an agreement had been reached to facilitate an orderly transition to market pricing for natural gas in Canada. With deregulated pricing effective November 1, 1986, the province indicated its intention to maintain the Natural Gas Price Protection Plan and the $1.82/GJ Support Price.

If gas prices fall below that level, no protection or rebate would be required. However, prices above $1.82/GJ would continue to be eligible for rebates for the benefit of Alberta consumers.

Large industry and industry using natural gas as a feedstock are limited to rebates on the first petajoule (billion cubic feet) of gas consumed in any fiscal year. Some other uses, such as gas used in heavy-oil recovery, oil sands, and as a compressor fuel, are not eligible for rebate.

Distribution of Rebate Benefits

In 1985/86 rebates totalled $127.6 million compared to $128.3 million in 1984/85. Approximately 667,000 homes, 67,000 businesses and 571 industrial users received rebate benefits.



The Federal Canadian Ownership Special Charge of 14 cents per gigajoule was removed effective June 1, 1985. There are now no taxes on gas sales in Alberta.

Further information on unit rebates, average benefits and total rebates per year is included in the Appendices.

PRIMARY AGRICULTURAL PRODUCERS REBATE PROGRAM

The intent of this program is to provide a supplementary rebate to consumers who use natural gas in primary agricultural operations. The rebate effectively doubles the benefit already enjoyed by all Albertans under the Natural Gas Price Protection Plan. Examples of eligible operations include field crop, livestock, dairy and poultry farms, greenhouses (including ornamental), irrigation, grain dryers, sod and peat moss farms and alfalfa processors.

The program provides a rebate of 50 cents per gigajoule (GJ) on consumption of natural gas between 300 GJ and 10,000 GJ during a calendar year. Consumers apply to the Department for this supplementary rebate. Like the Natural Gas Price Protection Plan, these benefits are paid from an allocation of non-renewable resource revenues.

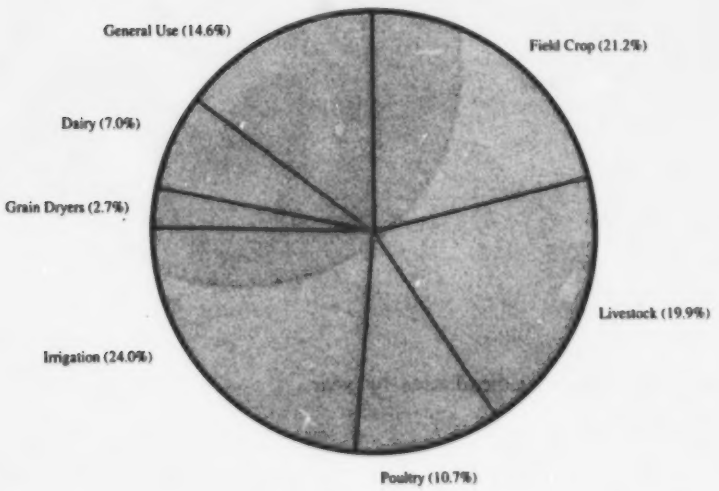
In place since January 1, 1982, the Program is to extend to December 31, 1987.

Recognizing the difficult harvesting conditions for the fall of 1985, the Department broadened eligibility guidelines for gas used in grain dryers. Rebates are now available to farmers who do not own grain dryers and who, therefore, have to rely on the services of others to dry their grain.

During the year, 8,276 applications were processed. Rebate payments totalled $4,051,640 for an average of $490 per application.

Primary Agricultural Producers
Rebate Program

Rebate Payments By Type Of Use



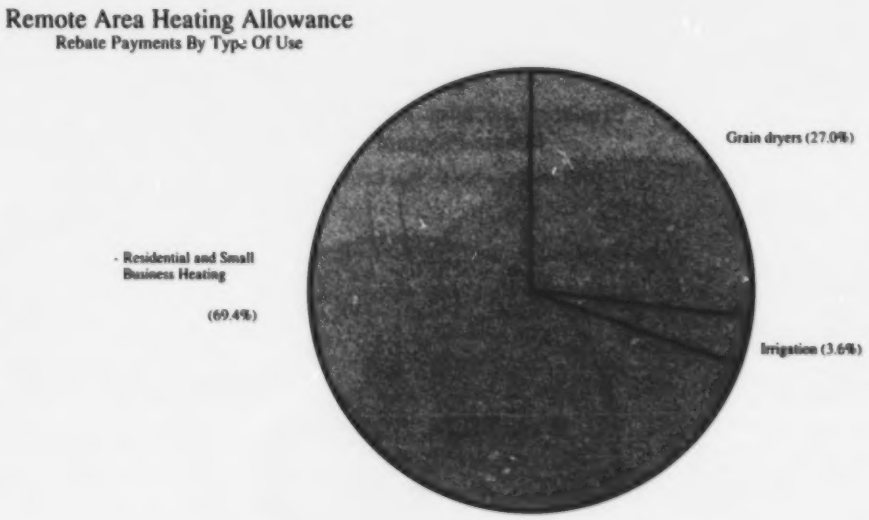
REMOTE AREA HEATING ALLOWANCE PROGRAM

This program provides rebates of up to 35 percent of the price paid for heating oil and propane by residential, farm, community and small business consumers who must use these fuels because natural gas service is not economically available. This program for heating oil and propane users is complementary to the Natural Gas Price Protection Plan for natural gas consumers. Like the latter, it has been extended to March 31, 1988.

Rebates totalling $3,431,972 were paid on the 9,949 applications processed during the year. The average rebate per application was $345.

More than 22,000 Albertans have benefited from the program since its introduction in 1980. It has provided welcome relief from high fuel prices for residents both in remote areas and in natural gas franchise areas while natural gas lines were being extended to their locations through the Department's Rural Gas Program. Many former rebate applicants are now enjoying natural gas service.

The program also reduces fuel costs for farmers who dry grain or irrigate their land using portable equipment. Due to the unseasonably wet and cold autumn in 1985, many central and northern Alberta farmers had to dry their grain by mechanical means. Eligibility for rebates was extended to farmers who rely on the services of others for grain drying. In southern Alberta, on the other hand, many areas experienced drought during the summer of 1985. These unfavourable conditions and the program extension resulted in an increase in rebates paid from $2.9 million in 1984-85 to more than $3.4 million in 1985-86.



Please see the Appendices for program expenditures by year.

SENIOR CITIZENS HOME HEATING PROTECTION PROGRAM

The Senior Citizens Home Heating Protection Program assists senior citizen homeowners with their home heating costs (regardless of the type of fuel used) by providing $100 per year to each household. Introduced in 1982, the program is effective to the end of the 1987 calendar year.

The majority of eligible senior citizens receive the rebate benefit without having to complete an application form. Eligibility is automatically established using lists of seniors, supplied by municipalities, who have applied for and received the Alberta Property Tax Reduction Benefit. In the relatively few cases where, for one reason or another, seniors' names do not appear on the lists, a short application form is used.

The rebate is also available to widows and widowers 55 years of age or over who are receiving a pension under the Alberta Widows' Pension Act.

Those 60 years of age or over, whose spouse was at least 65 at the time of death, are also eligible.

During the year, 86,793 cheques were issued to senior citizens for the 1985 calendar year, compared to 84,568 and 81,283 in 1984 and 1983 respectively. The benefits over these three years total $25.3 million as shown in the Appendices.

Evidenced by the numerous calls and letters received, the Senior Citizens Home Heating Protection Program is appreciated by senior citizens and is a welcome help with the costs of home heating.

RURAL ELECTRIC BRANCH

MANDATE

The branch administers the loan program of the Rural Electrification Revolving Fund as well as managing grant programs to assist rural electrification. It is responsible for maintaining the Fund's accounts and for loans collection activities. The branch director fulfills the statutory duties of the Director of Co-operative Activities, as provided by the Co-operative Associations Act, for Rural Electrification Associations (REAs).

These programs are made available under provisions of the following acts and their regulations:

- Rural Electrification Revolving Fund Act
- Rural Electrification Long Term Financing Act
- Co-operative Marketing Associations and Rural Utilities Guarantee Act
- Department of Utilities and Telecommunications Act

HIGHLIGHTS

- In addition to delivering loan and grant programs, the branch supported several other key activities which will be of benefit for rural electrification in the future. Work was completed on the regulations and standard by-laws to enact the Rural Utilities Act, which had been passed in the spring 1985 session of the Legislative Assembly. The Union of Rural Electrification Associations was consulted during their preparation.
- The branch continued to assist with negotiations between REAs and electric utility companies on a new master contract. Regional meetings were held throughout the province in the fall of 1985 to present the new contract to the REAs. By year end, a large number (89) of REAs had signed the contract, and the Interim Joint Review Committee, comprising REA and utility company representatives, was making good progress on implementation policies and procedures.

PROGRAM ACTIVITIES

Rural Electrification Revolving Fund

Low-interest (Part 1) and interest-free (Part 2) loans are made from the Fund for new electrical services on farms. During 1985-86, 2,071 loans were processed and funded resulting in the release of $9,166,132.

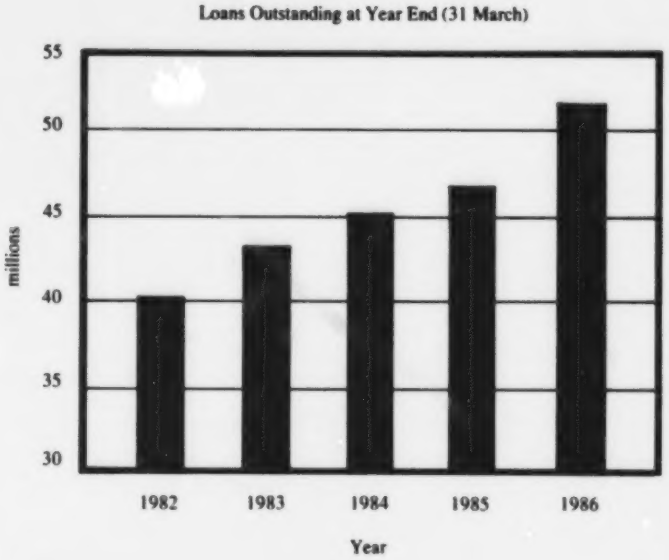
Of this total, $5,966,479 was in loans with fixed repayment schedules and bearing interest at three and one-half percent. These (Part 1) loans are secured by a lien on a farm property. The balance, $3,199,653, represented 714 interest-free (Part 2) loans to be repaid if and when additional use is made of the facilities constructed with the funds. Part 2 loans issued on behalf of an REA are secured by a first charge upon the works in favour of the Provincial Treasurer.

Payments on outstanding loans during the year totalled $4,324,062. Some $3,370,843 of this total was repaid principal credited back to the Rural Electrification Revolving Fund, and $953,219 represented earned interest deposited to the province's general revenue fund.

The statutory limit on the Rural Electrification Revolving Fund is $55,000,000. At year end, the Fund stood at $53,431,196, of which $52,822,724 represented loans outstanding.

Rural Electrification Revolving Fund

	$ millions
Interest-bearing (Part 1) loans:	
10-year repayment schedule	5.5
25-year repayment schedule	24.3
Interest-free (Part 2) loans:	
No fixed repayment schedule	23.0
Total Loans Outstanding	52.8



The financial reports and summaries of the Rural Electrification Revolving Fund are found in the Appendices.

Grants Based on 40 Percent of Part 2 Loans

Grants totalling $260,716, based on 40 percent of the outstanding amount of interest-free loans (Part 2) for individual services, were issued to 189 REAs during the fiscal period. These funds are to help offset future rebuilding costs of the facilities financed by these interest-free loans.

Since the introduction of this assistance on April 1, 1979, grants totalling $7,109,564 have been made. At the end of the fiscal year, $5,498,935 remained in effect. The difference has been recovered from REAs as a result of either the Part 2 loan balance being reduced or the REA selling its assets to a utility company.

Grants for Travel and Subsistence

Grants totalling $7,445 were issued to the REA Master Contract Negotiating Committee to cover travel, subsistence and other expenses. In addition, grants of $7,210 were issued to the Interim Joint Review Committee members for expenses.

Generating Unit Grants

Grants totalling $3,225 were made to individuals who maintain a permanent residence in a remote area where it is not feasible/economical to provide electricity from the provincial grid. These grants were used to defray the cost of purchasing a generating unit.

Land Tenure Electrification Program

Grants totalling $96,950 were issued to provide service to residents within land tenure subdivisions in isolated communities.

Loan to Alberta Union of REAs

A loan of $100,000 was issued to assist the Alberta Union of REAs in underwriting the REA negotiating expense. The loan is to be repaid within five years and bears interest at three and one-half percent.

Grant for the Small Power Producers Association of Alberta

A grant of $5,000 was issued to help defray expenses of members of this association.

ADMINISTRATIVE SERVICES DIVISION

[redacted]

[redacted]

DEVELOPMENT AND TRAINING BRANCH

[redacted]

FINANCIAL ADMINISTRATION BRANCH

[redacted]

PERSONNEL ADMINISTRATION BRANCH

[redacted]

RECORDS AND GENERAL SERVICES BRANCH

[redacted]

AUTOMATION AND INFORMATION SERVICES

[redacted]

PUBLIC AFFAIRS BRANCH

[redacted]

DEVELOPMENT AND TRAINING BRANCH

Early in the 1985-86 fiscal year, the Rural Gas Education Committee mandate was revised. The Federation of Alberta Gas Co-ops Ltd. appointed a director as a member and subsequently he was elected as chairman. The Trade Certification section of Alberta Manpower was approached and agreement was reached on the possibility of including the Rural Gas Serviceman into the apprenticeship program.

A directive was issued stating that all personnel working in any gas related position would be required to have a Gas Fitters qualification by June 1, 1986. Development and Training Branch put together a self-study package. This package was made available to any applicant in the co-ops and was designed to assist the student to challenge the Gas Fitter examination, thereby qualifying for Gas Fitter Certification. There were 52 applicants for the package.

Discussion was held between Westerra Institute of Technology and the Department on the Rural Gas Utilityman's Program and agreement was reached on the program, time span, cost, and standards. The first program called Gas Distribution Technology was offered and presented to a full class of 24 during March to April 1986. Results were positive and a second presentation will take place in the fall of 1986.

Early in 1987 the second part of the technology will be presented. This represents the beginning of a completely new era which will lead to the consolidation and integration of the Rural Gas Utilityman's program and the Gas Fitters program.

The Rural Gas Safety Program continues to meet the need for safety information in the school. The program was presented in eight locations to 28 classes of Grades 7 to 9.

Utilities officers' educational requirements have been reviewed and consolidated providing a broader base for meeting the need of this special group.

Some 94 Department staff members attended 112 courses, seminars and workshops, offered through the central personnel agency, educational institutions and Department resources.

FINANCIAL ADMINISTRATION BRANCH

The Financial Administration Branch has responsibility for the Department's general office accounting functions which include budgeting, payment of accounts, inventory control, payroll reconciliation, revenue control and general accounting.

The branch is responsible for the monitoring and monthly distribution of departmental expenditure statements to assist management in budget control.

The physical and financial reconciliation of the Department's fixed assets inventory is being converted from a word processing system to a microcomputer to allow for easier updates and reconciliation. The inventory records maintained by the branch for the total Department are valued at more than $3.1 million. The assembling of the Department's budget is also in the process of being converted to an automated system for easier updating.

PERSONNEL ADMINISTRATION BRANCH

The Personnel Administration Branch is responsible for the administration and co-ordination of all personnel matters for Utilities. This includes: organization development; human resource planning; classification; recruitment and selection; employee relations; career development; and occupational health and safety.

At the end of the 1985-86 fiscal year, there were 157 permanent full-time positions and 29 project positions. Department activity included processing 37 permanent and project staffing actions as well as 57 classification actions.

RECORDS AND GENERAL SERVICES BRANCH

The Records Branch is responsible for: a planned system of classifying documents; the care and custody of documents within a protective cover; the controlled circulation and use of documents to meet administrative needs; and the final disposition of documents for destruction or preservation, depending on their value.

The branch is also responsible for the procurement of all administrative materials or services and supplies, together with others related to a Records Management Program, such as forms, micrographics, correspondence, and essential Records Management, for both the Department and the Alberta Electric Energy Marketing Agency (EEMA).

A records system for EEMA's Edmonton and Calgary offices and the Slave River Hydro Project Pre-investment Phase was completed in 1984-85. The branch also continued its participation in a government-wide automated records management system study.

Microfilming of the Rural Electric Branch's loan files was so successful that microfilming the Rural Gas Program's files was initiated.

One hundred and twelve cubic feet of records were transferred with the Communications Policy Branch. Net records holdings (both active and semi-active) for Utilities at the end of the fiscal year were 1,635 cubic feet.

AUTOMATION AND INFORMATION SERVICES

Automation and Information Services provides the following services to the Department:

- Development and maintenance of a long-term electronic data processing plan and annual updates
- Development and maintenance of policies and procedures for automation
- Co-ordination and technical approval of automation budgets
- Management and administration of all centralized systems, services and equipment
- Ongoing audit and quality assurance to provide for efficient utilization and cost-effectiveness of automation equipment.

An area of major effort during the reporting period was the buy-out of a number of long-term leases on installed automation equipment.

PUBLIC AFFAIRS BRANCH

The Public Affairs Branch provides or co-ordinates editorial, advertising, media and public relations services and consultation for the Department.

During the reporting period, the manager:

- arranged the distribution of 99 news releases across Alberta
- co-ordinated and edited both the Department's and the Alberta Electric Energy Marketing Agency's annual reports
- supervised the redesign of the Department's display and prepared new displays for the Rural Gas Safety Committee and the Alberta Farm Water Grant Program
- attended the annual meetings of the Alberta Union of Rural Electrification Associations and the Federation of Alberta Gas Co-ops Ltd.
- provided professional consultation to the editorial committee as well as writing, editing and production of three Rural Utilities Newsletters, a publication distributed to rural gas co-ops, rural electrification associations, municipalities and other interested organizations and individuals
- supervised the Department's news clipping service
- consulted with the editorial committee and wrote, edited and produced The Reporter, a bimonthly employee newsletter
- co-ordinated production of brochures, feature articles and other written and audio visual material outlining the Department's various programs
- supervised all departmental advertising.

APPENDICES

RURAL GAS PROGRAM STATISTICS

Grants Issued Under the Rural Gas Program to March 31, 1986

	Total to March 31, 1985	1985-86	Total as at March 31, 1986
Regular	$170,566,901.20	$12,670,193.76	$183,237,094.96
Gas Transportation	75,177,560.04	1,511,051.63	76,688,611.67
Regulator/Meter/Odorizer	11,623,120.03	573,461.47	12,196,581.50
Cathodic Protection	2,666,172.80	8,455.00	2,674,627.80
Operating Equipment	142,408.36	13,052.02	155,460.38
Leak Detection	99,367.36	—	99,367.36
Replacement PE 3306 Pipe	27,643,903.64	1,718,661.13	29,362,564.77
Other Special	10,799,362.58	475,145.99	11,274,508.57
Propane	164,197.06	73,154.53	237,351.59
Utilities Officers	7,995,910.49	699,500.11	8,695,410.60
	$306,878,903.56	**$17,742,675.64**	**$324,621,579.20**

Natural Gas Services Built by Rural Gas Distributors

	Total to March 31, 1985		Services Built 1985-86	Total as at March 31, 1986		
	Pre-Act	Post-Act		Pre-Act	Post-Act	Total
Rural	19,581	64,429	2,291	19,581	66,720	86,301
Urban	2,354	12,299	782	2,354	13,081	15,435
Grain Dryer	13	778	153	13	931	944
Non-Grantable	1,145	4,060	247	1,145	4,307	5,452
Irrigation	1,841	2,844	124	1,841	2,968	4,809
	24,934	**84,410**	**3,597**	**24,934**	**88,007**	**112,941**

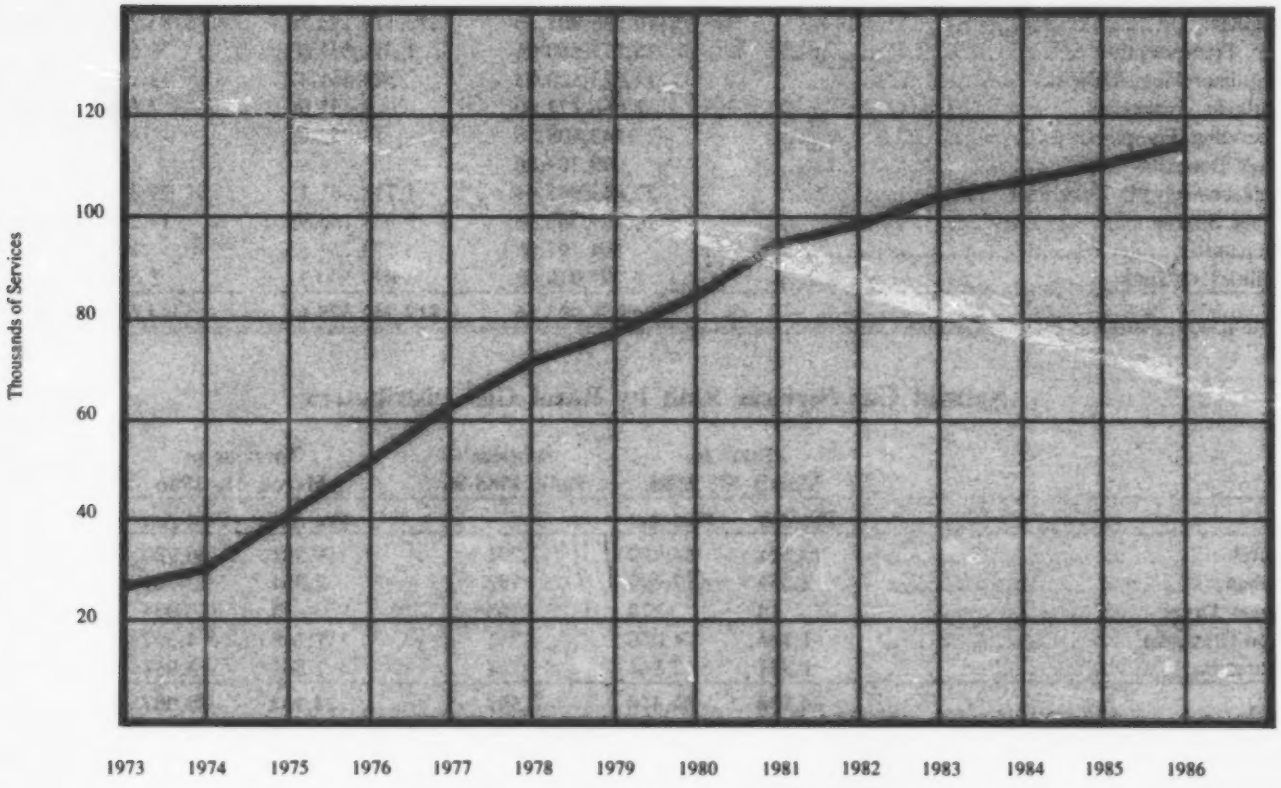
* Kilometres of Pipelines Installed In Rural Natural Gas Distributor Systems

	Total to March 31, 1985	Built 1985-86	Total as at March 31, 1986
Polyethylene	78,567	1,298	79,865
Aluminum	5,292	154	5,446
Steel	2,149	6	2,155
	86,008	**1,458**	**87,466**

* Post-Act system installation only. No figures available for Pre-Act system.

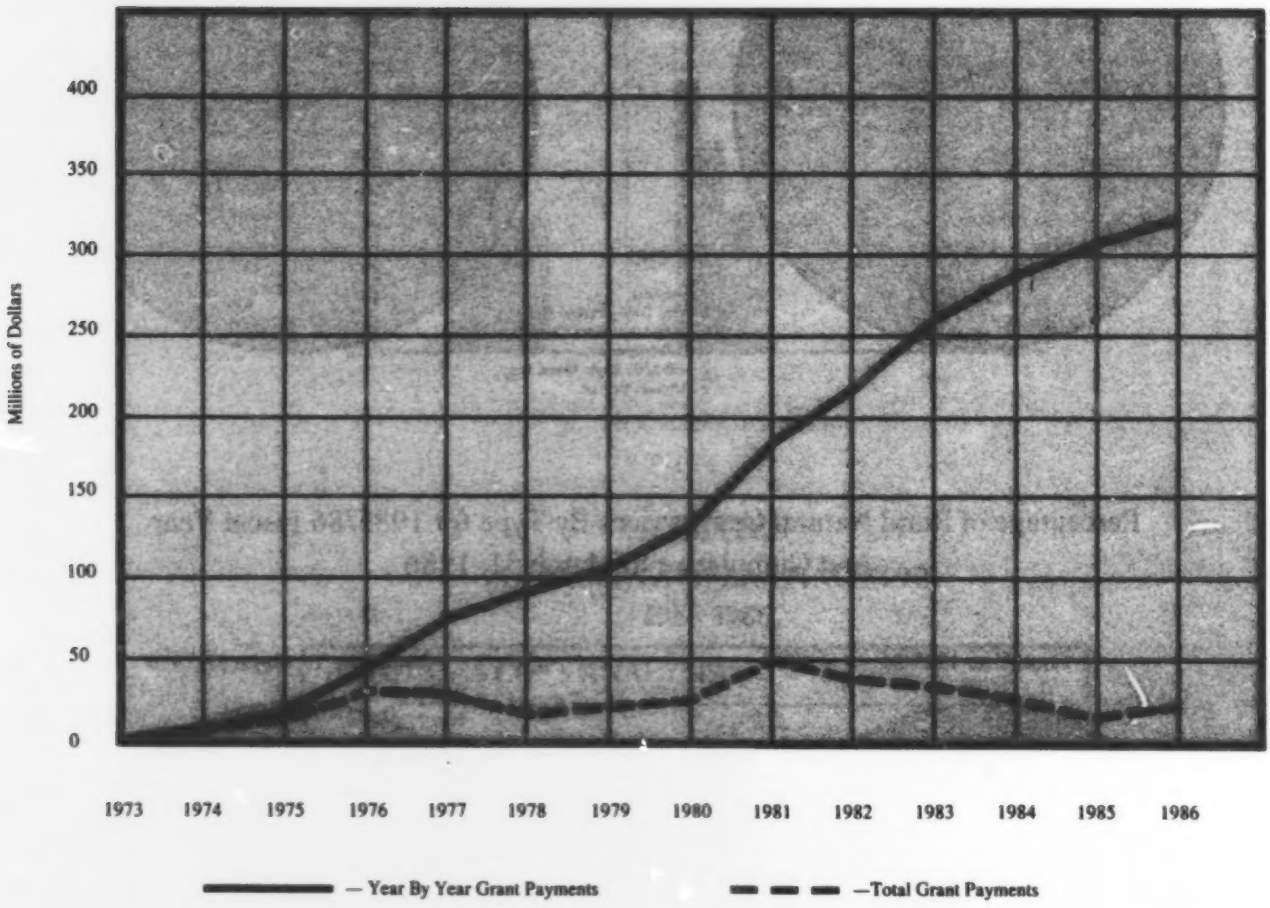
APPENDIX A

Number of Rural Natural Gas Services Cumulative to March 31, 1986



APPENDIX A

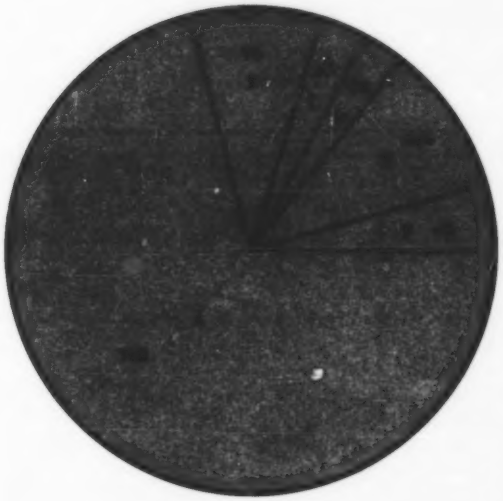
Total and Year By Year Grant Payments Issued Under The Rural Gas Program To March 31, 1986



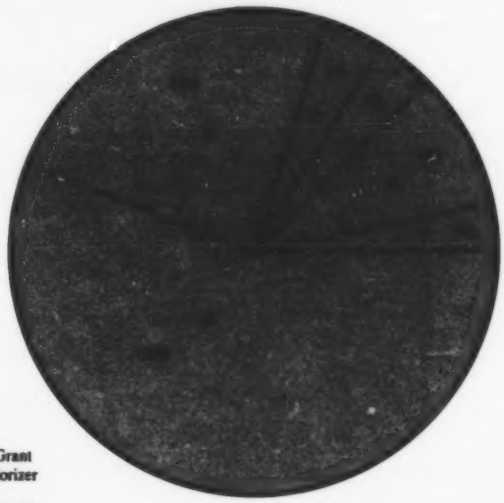
APPENDIX A

Percentage of Grants Issued Under the Rural Gas Program By Type for 1985/86 Fiscal Year and Cumulative To March 31, 1986

Fiscal Year 1985/86



Cumulative to March 31, 1986



LEGEND

A - Regular
B - Gas Transportation Grant
C - Regulator/Meter/Odorizer
D - Other Special
E - PE 3306 Replacement Pipe
F - Utilities Officer

Percentage of Rural Natural Gas Services By Type for 1985/86 Fiscal Year And Cumulative to March 31, 1986

Fiscal Year 1985/86

Cumulative To March 31, 1986

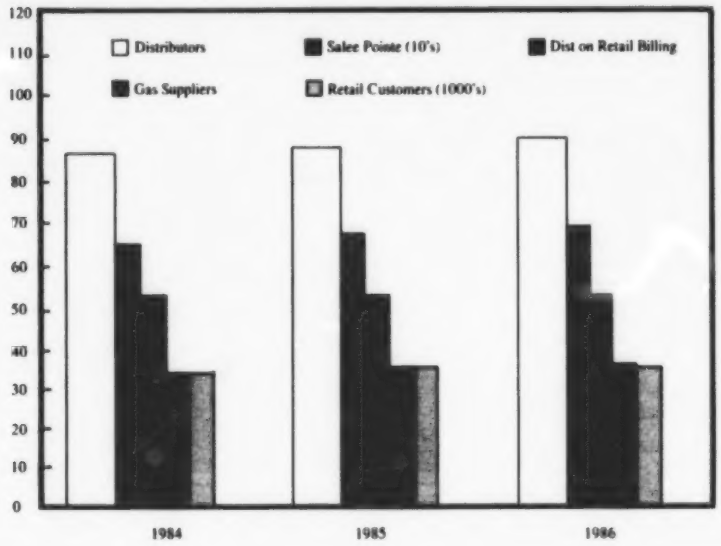
LEGEND

A - Rurals
B - Urbans
C - Non-grantables
D - Irrigations
E - Grain Dryers

UTILITIES

GAS ALBERTA OPERATING FUND

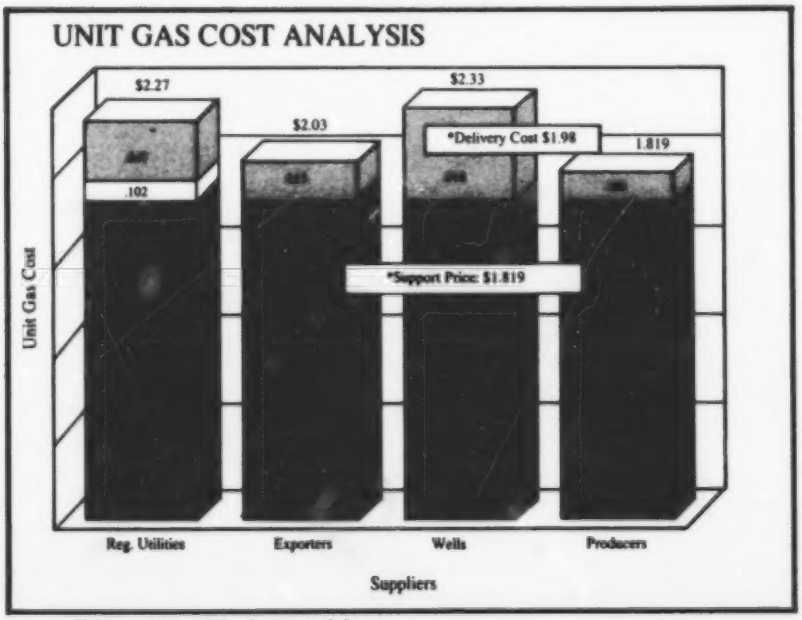
GAS ALBERTA'S ACTIVITIES



FISCAL YEARS (April 1 to March 31)

UTILITIES

GAS ALBERTA OPERATING FUND
1985-1986



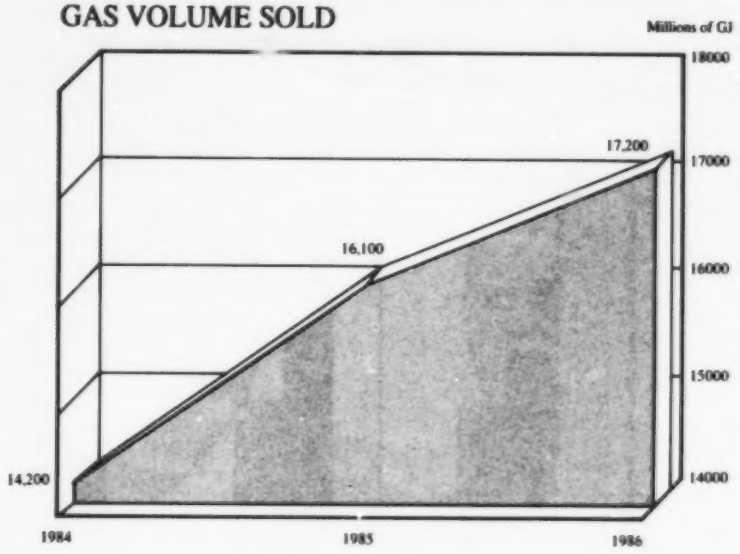
Unit gas cost is rounded to the nearest whole cent.

* ☐ - Impact of increased costs on total utility company purchases due to non-rebatable gas purchases.

APPENDIX A

UTILITIES

GAS ALBERTA OPERATING FUND

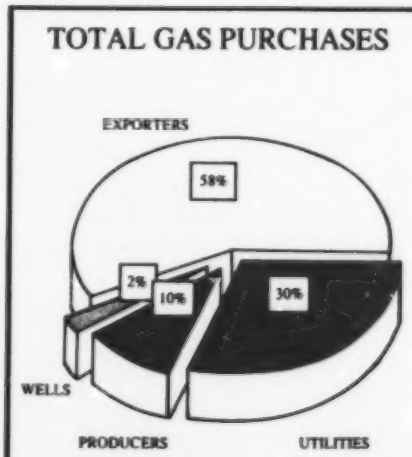


FISCAL YEARS (April 1 to March 31)

UTILITIES

GAS ALBERTA OPERATING FUND

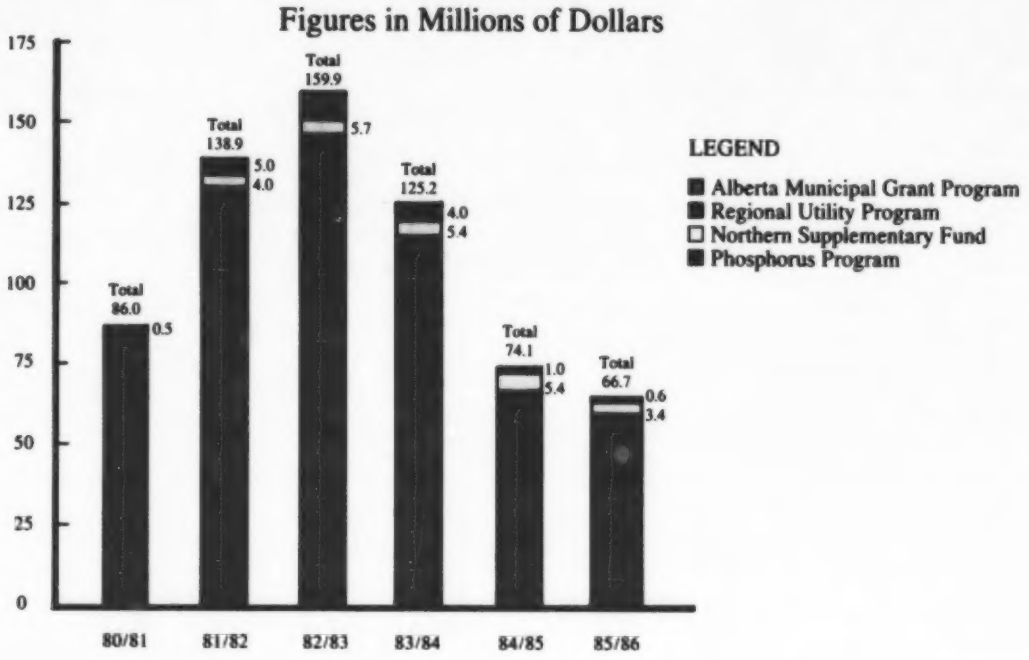
1985-1986



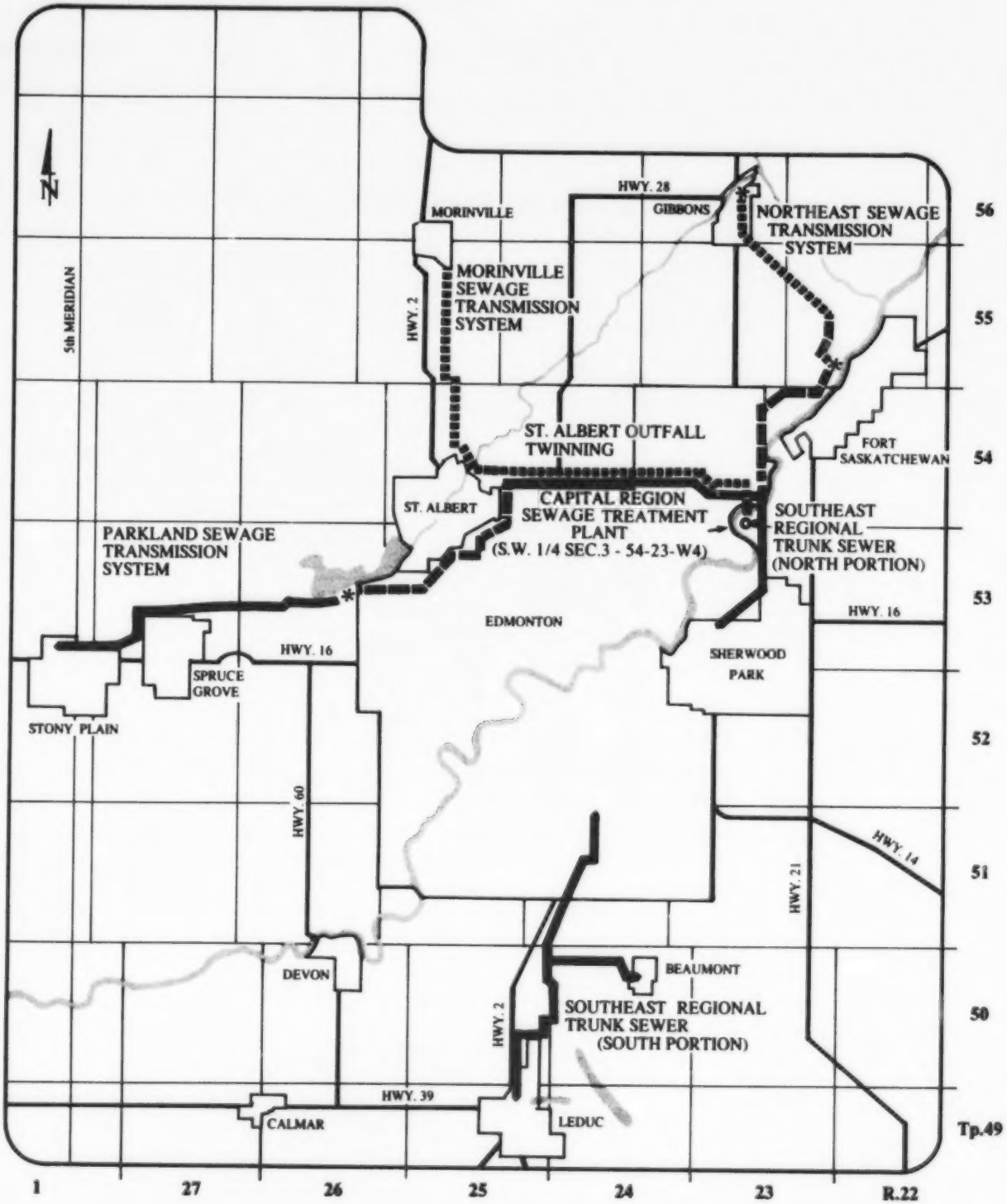
Suppliers	Thousands of GJ
Reg. Utilities:	5,205.8
N. U. L.	3,050.6
C. W. N. G.	2,134.1
I. C. G. Utilities	21.1
Exporters:	9,980.1
TransCanada	5,331.4
Alberta & Southern	1,890.2
Pan-Alberta	1,829.4
Consolidated Natural	532.9
Westcoast Trans.	396.2
Wells:	407.6
Producers:	1,629.3
Total	17,222.8

Percentage for the supplier type has been rounded to the nearest whole percent.

Municipal Water and Sewage Assistance Programs 1980 - 1986



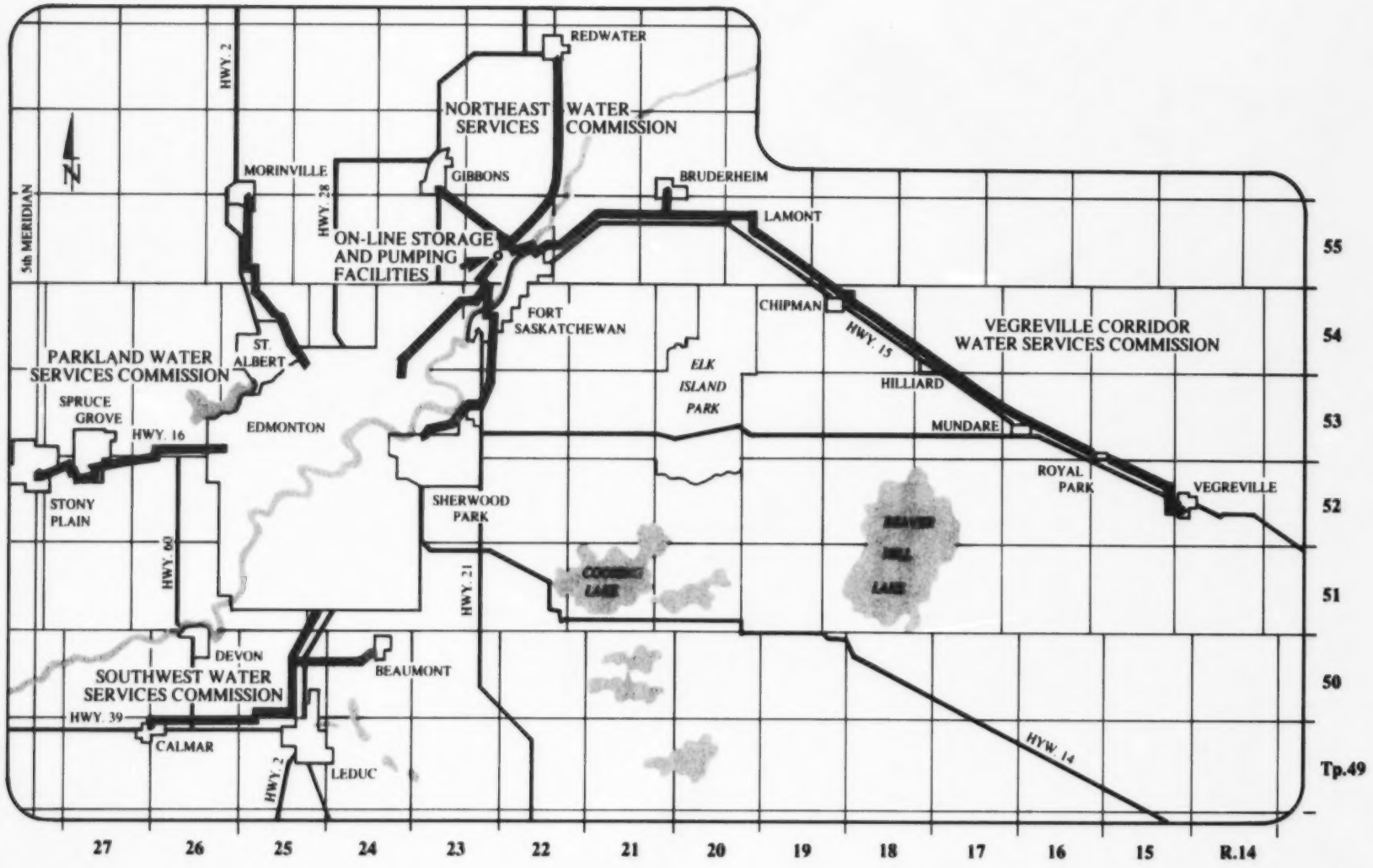
APPENDIX B



CAPITAL REGION SEWAGE SYSTEM

LEGEND:

- EXISTING REGIONAL SEWAGE LINES
- SEWAGE LINES UNDER CONSTRUCTION 85-86
- FUTURE SEWAGE LINES
- LIFT STATIONS



41

CAPITAL REGION WATER SYSTEMS

LEGEND: EXISTING REGIONAL WATER LINES

APPENDIX B

APPENDIX C

REBATES BRANCH

Total Rebates by Year

	1983-84 $Millions	1984-85 $Millions	1985-86 $Millions	Total $Millions
Natural Gas Price Protection Plan	$106.1	$128.5	$127.6	$362.2
Remote Area Heating Allowance Program	2.6	2.9	3.4	8.9
Senior Citizens Home Heating Protection Program	8.0	8.5	8.8	25.3
Primary Agricultural Producers Rebate Program	2.0	2.5	4.1	8.6
	$118.7	**$142.4**	**$143.9**	**$405.0**

NATURAL GAS PRICE PROTECTION PLAN

Unit Rebate Allowance

($/GJ)

Period	Alberta Border Price	Alberta Cost of Service	Field Price	Provincial Support Price	Unit Rebate Allowance
Feb. - July 1983	2.40065	0.27	2.13065	1.56	0.57065
Aug. - Jan. 1984	2.63366	0.33	2.30366	1.712	0.59166
Feb. - July 1984	2.79001	0.33	2.46001	1.814	0.64601
Aug. - Dec. 1985	2.79804	0.30	2.49804	1.819	0.67904
Jan. - Oct. 1986	2.79804	0.27	2.52804	1.819	0.70904

Example of the Annual Rebate Benefit for a Residential Customer*

1983 - 1984	$120
1984 - 1985	$135
1985 - 1986	$138

* Based on annual consumption of 200 GJ and the maximum unit rebate allowance as shown above. Actual rebates vary with gas contract prices paid by utility companies.

Rural Electrification Revolving Fund
Financial Reports and Summaries
1985-86
Cash Basis

(Unaudited)

Fiscal Year Ending March 31, 1986

Statement I

Comparative Loan Balances
Loans Receivable At Year End

Repayment Schedule	March 31, 1986	March 31, 1985
10-year	$ 5,527,734	$ 5,705,197
25-year	24,347,437	21,158,001
Part 2 loans	22,947,553	20,094,067
Total all loans	**$52,822,724**	**$46,957,265**

APPENDIX D

Statement II

Loans Issued

Loans Advanced	Fiscal 1985-86	Fiscal 1984-85
10-year	$1,009,015.93	$ 904,515.11
25-year	5,027,633.85	2,084,514.86
Part 2	3,199,653.50	2,352,200.10
Total loans	**$9,236,303.28**	**$5,341,230.07**
Loans for new construction	$9,166,132.25	$5,257,460.89
Refinancing	70,171.03	83,769.18
Total loans	**$9,236,303.28**	**$5,341,230.07**
Principal refinanced	$ 68,474.74	$ 81,369.82
Interest refinanced	1,696.29	2,399.36
Total refinancing	**$ 70,171.03**	**$ 83,769.18**
New construction - individual lien notes	$5,966,478.75	$2,905,260.79
New construction - Part 2 loans	3,199,653.50	2,352,200.10
Total new construction financed	**$9,166,132.25**	**$5,257,460.89**

Statement III

Receipts and Adjustments

	Fiscal 1985-86	Fiscal 1984-85
10-year loans principal	$1,186,479.26	$1,226,835.27
25-year loans principal	1,838,197.60	2,087,524.54
Part 2 loans principal	346,166.60	403,805.04
10-year loans interest	200,716.89	210,564.64
25-year loans interest	752,501.35	737,304.46
Net Receipts and Adjustments	**$4,324,061.70**	**$4,666,033.95**
Total principal	$3,370,843.46	$3,718,164.85
Total interest	953,218.24	947,869.10
Net Receipts and Adjustments	**$4,324,061.70**	**$4,666,033.95**

APPENDIX D

Statement IV

Annual Report
Analysis of Loans Advanced

	REA Loans		Loans to Individuals		Totals	
	No.	Advanced	No.	Advanced	No.	Advanced
Revolving Fund (10-year) Loans						
Traditional Loans	211	$ 707,446.00	96	$ 223,461.75	307	$ 930,907.75
Over 25 kVA	—	—	—	—	—	—
Three-phase	—	—	15	71,772.50	15	71,772.50
Total Revolving Fund	**211**	**$ 707,446.00**	**111**	**$ 295,234.25**	**322**	**$1,002,680.25**
Long-Term (Up to 25 years) Loans						
Traditional Loans	389	$1,453,108.00	152	$ 523,030.00	541	$1,976,138.00
Over 25 kVA	—	—	2	7,570.00	2	7,570.00
Three-phase	—	—	505	2,980,090.50	505	2,980,090.50
Totals Long-Term	**389**	**$1,453,108.00**	**659**	**$3,510,690.50**	**1,048**	**$4,963,798.50**
Part 2 Loans						
Traditional Loans	241	$ 636,564.50	73	$ 252,489.00	314	$ 889,053.50
Over 25 kVA	—	—	1	212.00	1	212.00
Three-phase	—	—	404	2,310,388.00	404	2,310,388.00
Totals Part 2	**241**	**636,564.50**	**478**	**$2,563,089.00**	**719**	**$3,199,653.50**
Grand Totals	**841**	**$2,797,118.50**	**1,248**	**$6,369,013.75**	**2,089**	**$9,166,132.25**

UTILITIES

STATEMENT OF EXPENDITURES
FISCAL YEAR 1985-86

Program	Total Authorized	Expended	Unexpended
1. Departmental Support Services	$ 2,211,044	$ 2,161,172	$ 49,872
2. Gas Utility Development			
Financial Assistance for Natural Gas Development (Grants for Natural Gas Distribution Systems, Utilities Officer Support and Capital Construction)	17,990,000	17,742,676	247,324
Engineering, Technical, Financial and Business Support	3,151,863[2]	2,872,908	278,955
Gas Alberta	1,784,692[2]	1,598,590	186,102
3. Natural Gas Price Protection for Albertans			
Administrative Support	1,097,071	879,784	217,287
Remote Area Heating Allowance Program Rebates	3,800,000	3,431,972	368,028
Senior Citizens Home Heating Protection	8,500,000	8,753,300	(253,300)
4. Electric Development			
Electric Development Services	1,124,124[2]	955,471	168,653
Financial Assistance for Electric Development	1,535,000[3]	367,930[3]	1,167,070
Hydroelectric Development	4,000,000	1,090,342	2,909,658
5. Financial Assistance for Water and Sewer Projects			
Administrative Support	873,942[1][2]	773,008	100,934
Municipal Water Supply and Sewage Treatment Grant Program	40,100,000	38,190,745	1,909,255
Northern Supplementary Fund	3,360,000	3,360,000	
Regional Water and Sewage Program	30,743,000	24,823,653	5,919,347
Phosphorus Removal Grant Program	250,000	598,615	(348,615)
Alberta Farm Water Grant Program	3,850,000[1]	1,275,965	2,574,035
6. Electric Energy Marketing Agency	52,567,963	49,860,724	2,707,239
TOTAL DEPARTMENT	**$176,938,699**	**$158,736,855**	**$18,201,844**

[1] Includes $4,000,000 Special Warrant.
[2] Includes $168,905 transferred from salary contingency fund.
[3] Reduced $100,000: capitalized as a voted non-budgetary disbursement.